

Reading Family Business Loan Program

What is the Reading Family Business Loan Program?

This new initiative is an innovative \$51 million public/private partnership that will help to expand and attract family-owned and small businesses in the City of Reading. The program provides below-market fixed interest rates on commercial loans and offers terms of up to 20 years for qualified businesses.

Who is offering this program?

Fulton Bank has partnered with the City of Reading, the Federal Home Loan Bank (FHLBank) of Pittsburgh and the Small Business Administration (SBA) to create this new loan fund.

Why is the Reading Family Business Loan Program being offered?

The main goal of this program is to enhance the economic vitality of the City of Reading by encouraging businesses to locate within the City and by helping established small and family-owned businesses to grow. Reading City officials estimate that the program will result in the creation of 600 jobs, including 350 service-related jobs, 150 manufacturing jobs and 100 managerial positions in the City.

What are the benefits to borrowing through this program?

This program offers a number of advantages over traditional commercial financing:

- Interest rates on loans obtained through this program will be below regular market rates.
- As a borrower, the equity required from you as a borrower will be lowered to 10% of the project cost, which is much less than that required for most commercial loans.
- Because this is a specific program with clearly defined criteria and targeted to small businesses, the approval process will be faster than that of traditional commercial loans.
- Each borrower can use up to \$150,000 for working capital financing.

Can any business qualify for this special loan program?

No. The program specifically targets small businesses, and only those businesses that meet the SBA's definition of a small business would be potential candidates for these special loans. To meet the SBA's definition, a business must have **BOTH** of the following characteristics:

- a tangible net worth of less than \$6 million **AND**
- profits after taxes of less than \$2 million (average for the last two years)

(over)

My business meets the SBA's definition of a small business. Are there other criteria that my business must meet as well?

Yes. Your business must also:

- have been in operation for at least two years
- have financial statements that show successive profits for at least two years

What else do I need to know about the program to decide whether the Reading Family Business Loan Program would benefit my business?

- The total of all loans to any one business through this program will be between \$50,000 and \$2,000,000.
- For fixed asset financing, there will be no cap.
- Typical SBA underwriting and approval standards will apply.
- The maximum working capital line of credit to be offered will be \$150,000.
- The maximum fixed interest rate term will be 20 years. (Long-term fixed rate loans will be funded through the FHLBank's Community Lending Program, in which case FHLBank's criteria will apply.

How do I apply for financing for my business through this program?

The next step is easy. Just call Toni Albert, branch manager of Fulton Bank's Reading office, at 610-898-8361 and she will be happy to talk with you further about how your business might benefit from this exciting new program.

This program is sponsored by:



**Federal Home Loan Bank
of Pittsburgh**

